TSCS CASE REVIEW FORM

Establi	shment: Mc Donnell Douglas Co	sporation		
	s: 140 McDonnell Boulevard 516, Mail Code 51/1-1099	— —Docket No.	07-98	3-T-528
Case Re	viewer:Date	- Assigned:—		MUNIL 5/5/98
Count	Description	Cir	Ext.	Penalty
I	40 CFR \$ 761. 60 (a)	3	A	\$ 16,500
正	40 CFR \$761. 60 (a)	,	A	27,500
五	40 CFR. \$761. 60 (a)	/	A	27,500
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Action '	Taken: Civil ComplainT		Total	\$71,500
Action (II) PCB -	Justification: (I) PCB-cont. transformer 5N 2120050 /	ansformer SN 2	689-1	leaking anto its surfa
(III) PLB	-cent. transforms 5N 941235 1	eaking onto t	he gro	and
Cross M	edia Information	USTM WATE CO	d ISL CR	IM
Data En	s: Initial Review by RLK/MON			
Reviewe	r's Signature	Supervior	s Con	Currence

The Boeing Company P.O. Box 516 St. Louis, MO 63166-0516 (314) 232-0232 TELEX 44-857

January 04, 2000

6/1 PCB 464C-GSB-4853

William Spratlin
Director of Air, RCRA, and Toxics Division
U.S. Environmental Protection Agency
Region VII
901 North 5th Street
Kansas City, KS 66101

Re: McDonnell Douglas Corporation TSCA Docket No. VII-98-T-528

Dear Mr. Spratlin:

As required by the Consent Agreement and Consent Order, in the above referenced matter, McDonnell Douglas Corporation, a wholly owned subsidiary of The Boeing Company, hereby certifies completion of the Supplemental Environmental Project (SEP) that it was required to undertake thereby. Paragraph 1 of the Consent Order required the replacement and disposal of three electrical transformers that were presumed to be PCB contaminated.

The three transformers were removed from service on November 30, 1999 and transported for disposal on December 20, 1999. Shipping and disposal documentation for the three transformers and their contents are attached. After removing these transformers from service, samples were collected to determine PCB concentrations and applicable disposal requirements. Based on those analytical results, it was determined that the PCB concentration in each of these transformers was less than 5 mg/kg. A new substation has been constructed and has replaced the service of these transformers.

If further information is required, please contact me at (314) 234-8171.

Sincerely,

Gary Buford

Environmental and Hazardous Material Services Dept. 464C, Bldg. 220, Mailcode S221-1400

cc: Henry Romage, Esq.



This form is applicable to all used oil generators those in the States of Illinois, New Jersey, Massachusetts.

GENERATOR USED OIL CERTIFICATION/INDEMNIFICATION

Generator Information	Date 12-13-55
BOEING	5-160-73-1004
Company Y.O. BOX 516	S-K Customer No.
Address HAZELLXXID MO 63166 City State Zip	S-K Oil Services Sales Rep. S-K Branch No.
Used Oil Certification (check appropriate box)	
Used oils generated at this facility originate only from automoti service service stations, oil change stations, and truck / automobil	ve sources. Automotive sources include, but are not limited to, commercial le fleet maintenance.
Used oils generated at this facility may include oils from sources cutting oils, or gear oils.	s other than automotive including, but not limited to, industrial lubricating oils,
Hazardous Waste Certification (check appropriate be	ox)
	astes in a calendar month (approximately 27 gallons), and is classified as a
This facility generates between 100 kg and 1000 kg of other haz classified as a SQG.	cardous wastes in a calendar month (approximately 27 to 270 gallons), and is
This facility generates more than 1000 kg of other hazardous was	tes in a calendar month (approximately 270 gallons), and is classified as a LQG
Waste Segregation Certification (check if applicable	essary to properly segregate all waste streams generated at the facility, and
Total Chlorine Analysis	Automotive Oil:
Analysis Not Required Automotive Oil Only / CESQG	Chlorine: X ■ 1000 ppm
Automotive Oil Only and segregates the oil from	(if ► 1000 ppm, a sample must be sent to the Tech Center for rebuttal)
all hazardous wastes.	Industrial Oil:
Analysis Required (Complete information at right)	Date of Preshipment
(complete members at right)	Approval: 6100001
	(must be performed at the time of each service to ensure the oil matches the
	prestripment analysis)

Generator hereby certifies that the information provided above is true and correct. Generator also certifies that the used oils supplied to Safety-Kleen or its subsidiary will not be mixed, combined, or otherwise blended in any quantity with materials containing polychlorinated biphenyls (PCBs), halogenated solvents, or any other material defined as hazardous waste under 40 CFR Part 261 or applicable State regulations. Generator agrees to indemnify and hold Safety-Kleen or its subsidiary harmless for any damages, costs, attorneys and experts fees, arising out of or in any way related to a breach of any of the above certifications by Generator.

By: GARY Bufort

(Signature)

(Signature)



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Date: 12/17/99

Page: 1

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The Boeing Company
P.O. Box 516
St. Louis, MO 63166-0516
(314) 232-0232 TELEX 44-857

LAW DEPARTMENT TRACY S. PERKINS Counsel (314) 234-8135

October 22, 1998

via facsimile (913) 551-7925

Henry Rompage, Esq.
Senior Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency
Region VII
726 Minnesota Avenue
Kansas City, KS 66101

Re: In the Matter of McDonnell Douglas Corporation TSCA Docket No. VII-98-T-528

Dear Mr. Rompage:

I am writing as a follow-up to our telephone conversation on October 22, 1998, wherein you requested documentation for the cost of our proposed Supplemental Environmental Project ("SEP") in the above-referenced matter. I have enclosed two documents detailing the cost breakdown for the project. The first is the cost for replacing the electrical components of the three Building 6 transformers (\$12,500). The second is the cost of disposal of the transformers and transformer oil (\$1,463). The total, \$13,963, is the total cost of the SEP.

Should you have any questions regarding this project, please do not hesitate to call. You can reach me at (314) 234-8135. Thank you for your attention to this matter.

Sincerely,

Tracy S. Perkins

Counsel for McDonnell Douglas Corporation

Enclosure

Informal Memo 21 October, 1998

To: Tracy Perkins Dept. H009 MC S100-3340

The cost for replacing the PCB contaminated transformers at Building 6 is as follows:

Description	Size	<u> </u>	Material	Labor
Secondary Feeder	600A		2500	1200
Primary Feeder	300A		1000	800
Transformer: Dry Type				
240/480V - 120/208V	225KVA		5500	1500
		Subtotal	\$9000	\$3500
		Total	\$12	,500

Larry J. Hoeflinger, P.F. Dept. 447A MC S034-3520

Perkins, Tracy S

From:

Gary Buford[SMTP:gbuford@mdc.com]

Sent:

Tuesday, October 20, 1998 2:25 PM

To:

tracy.s.perkins@boeing.com

Subject:

PCB Disposal Cost-Sub 6

Tracy.

The following PCB price quote reflects the current contract disposal cost with Laidlaw Environmental.

Substation 6 consists of three transformers, each contains 42 gallons of less than 500ppm PCB. Each transformer weighs 1250 lbs.

Current disposal costs: \$210 per drum of <500ppm Oil \$0.25 per pound carcass weight

3 X 42 gal. = 126 gal. oil 126 gal. = 2.5 drums oil 2.5 drums @ \$210/drum = \$525

3 X 1250lbs. = 3,750lbs. 3,750lbs. X \$0.25/lb. = \$938

Total disposal cost: \$525 + \$938 = \$1,463

TSCA FINAL CIVIL COMPLAINT SIGN-OFF SHEET

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TSCA Docket No.: VII-18-T-508		
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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY REGION VII 726 MINNESOTA AVENUE KANSAS CITY, KANSAS 66101

BEFORE THE ADMINISTRATOR

IN THE MATTER OF:)	TSCA Docket No. VII-98-T-528
McDonnell Douglas Corporation St. Louis, Missouri 63166		COMPLAINT AND NOTICE OF OPPORTUNITY FOR HEARING
Respondent)	,	

COMPLAINT

Section I

<u>Jurisdiction</u>

- 1. This is an administrative action for the assessment of civil penalties instituted pursuant to Section 16(a) of the Toxic Substances Control Act (hereinafter "TSCA"), 15 U.S.C. Section 2615(a).
- 2. This Complaint serves as notice that the United States Environmental Protection Agency (hereinafter "EPA") has reason to believe that Respondent has violated federal regulations addressing the manufacture, processing, use, distribution in commerce, disposal, storage, marking and notification and manifesting of polychlorinated biphenyls (hereinafter "PCBs"), 40 C.F.R. Part 761 promulgated pursuant to Section 6 of TSCA, 15 U.S.C. § 2605(e), and thereby has violated Section 15 of TSCA, 15 U.S.C. § 2614.

Section II

Parties

- 3. The Complainant, by delegation from the Administrator of the EPA, and the Regional Administrator, EPA, Region VII, is the Director of the Air and Toxics Division, EPA, Region VII.
- 4. The Respondent, McDonnell Douglas Corporation, a person, as defined at 40 C.F.R. § 761.3, is a manufacturer of aircraft and aerospace equipment, which is, and was at all times referred to in this Complaint, a business incorporated under the laws of the state of Maryland and registered to do business in the state of Missouri.

McDonnell Douglas Corporation TSCA Docket No. VII-98-T-528 Page 2 of 6

Section III

Violations

5. The Complainant hereby states and alleges that Respondent has violated federal regulations, promulgated pursuant to TSCA, as follows:

Count I

- 6. On or about April 16, 1998, an authorized EPA representative conducted an inspection of respondent's facility at 140 McDonnell Boulevard in St. Louis, Missouri, pursuant to Section 11 of TSCA, 15 U.S.C. § 2610.
- 7. During the April 16, 1998, inspection, the EPA representative observed, photographed, and collected documentary evidence regarding PCBs and PCB Items used, stored, and disposed of by Respondent.
- 8. Pursuant to 40 C.F.R. § 761.20 (a), "No persons may use any PCB, or any PCB Item regardless of concentration, in any manner other than in a totally enclosed manner within the United States...".
- 9. Pursuant to 40 C.F.R. § 761.3 "Disposal includes spills, leaks, and other uncontrolled discharges of PCBs...".
- 10. Pursuant to 40 C.F.R. § 761.60(d) spills and other uncontrolled discharges of PCBs at concentrations of 50 ppm or greater constitute the disposal of PCBs.
- 11. Pursuant to 40 C.F.R. § 761.60(a), liquids containing a PCB concentration of 50 parts per million (hereinafter ppm) or greater must be disposed of by the methods specified in that section.
- 12. At the time of the April 16, 1998, inspection, the EPA representative observed oil leaking to a cloth pad on the concrete base under Maloney transformer, SN 2120050.
- 13. Respondents records indicate Maloney transformer SN 2120050 was contaminated with PCBs at greater than 50 ppm.
- 14. Respondent failed to comply with the requirements of 40 C.F.R. § 761.60(a), promulgated pursuant to Section 6(e) of TSCA, 15 U.S.C. § 2605(e), and therefore violated Section 15 of TSCA, 15 U.S.C. § 2614(1).
- 15. Pursuant to Section 16(a) of TSCA, 15 U.S.C. § 2615(a), and based on the facts stated in paragraphs 6 through 14 above, it is proposed that a civil penalty of Five Thousand Five Hundred Dollars (\$5,500) be assessed against Respondent.

Count II

- 16. The facts stated in paragraphs 6 through 11 are herein realleged and incorporated as if fully stated herein.
- 17. At the time of the April 16, 1998, inspection, the EPA representative observed oil leaking to a cloth pad on the concrete base under Wagner transformer SN-9U1235.
- 18. Respondent's records indicate Wagner transformer, SN 9U1235 had been tested for PCBs and was contaminated at 104.8 ppm. The oil leaking from said transformer constituted disposal of PCBs in a manner other than that required by the regulation at 40 C.F.R. § 761.60(a).
- 19. Respondent failed to comply with the requirements of 40 C.F.R. § 761.60(a), promulgated pursuant to Section 6(e) of TSCA, 15 U.S.C. § 2605(e), and therefore violated Section 15 of TSCA, 15 U.S.C. § 2614(1).
- 20. Pursuant to Section 16(a) of TSCA, 15 U.S.C. § 2615(a), and based on the facts stated in paragraphs 16 through 19 above, it is proposed that a civil penalty of Five Thousand Five Hundred Dollars (\$5,500) be assessed against Respondent.

Section IV

Relief

- 21. Section 16(a) of TSCA, 15 U.S.C. Section 2615, authorizes a civil penalty of up to \$27,500 per day for each violation of the Act. The penalties proposed in paragraphs 15 and 20 above are based upon the facts stated in this Complaint, and on the nature, circumstances, extent and gravity of the above cited violations in accordance with the Polychlorinated Biphenyls (PCB) Penalty Policy (55 F.R. 13955) (copy enclosed), as well as Respondent's history of prior violations and degree of culpability. A summary of the proposed penalty is contained in the enclosed Penalty Calculation Summary attached hereto and incorporated herein by reference.
- 22. Payment of the total penalty \$11,000 may be made by certified or cashier's check payable to the Treasurer, United States of America, and remitted to:

Mellon Bank EPA - Region 7 Regional Hearing Clerk P.O. Box 360748M Pittsburgh, PA 15251

Checks should reference the name and docket number of the Complaint.

McDonnell Douglas Corporation TSCA Docket No. VII-98-T-528 Page 4 of 6

NOTICE OF OPPORTUNITY TO REQUEST A HEARING

Section V

Answer and Request for Hearing

- 23. Pursuant to Section 16(a) of TSCA, Respondent has the right to request a hearing to contest any material fact contained in this Complaint. To preserve this right, Respondent must file a written answer and request for hearing with the Regional Hearing Clerk, United States Environmental Protection Agency, Region VII, 726 Minnesota Avenue, Kansas City, KS 66101, within twenty days of service of this Complaint and Notice of Opportunity for Hearing. Said answer shall clearly and directly admit, deny or explain each of the factual allegations contained in this Complaint with regard to which Respondent has any knowledge, or shall clearly state that Respondent has no knowledge as to particular factual allegations in the Complaint. The answer shall also state:
 - a. The circumstances or arguments which are alleged to constitute the grounds of defense;
 - b. The facts which Respondent intends to place at issue; and
 - c. Whether a hearing is requested.

The denial of any material fact or the raising of any affirmative defense shall be construed as a request for a hearing. Failure to deny any of the factual allegations in the Complaint constitutes an admission of the undenied allegations.

- 24. If the Respondent requests a hearing, it shall be held and conducted in accordance with the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and Revocation or Suspension of Permits (40 C.F.R. Part 22) (copy enclosed).
- 25. If Respondent fails to file a written answer and request for a hearing within twenty days of service of this Complaint and Notice of Opportunity for Hearing, such failure will constitute a binding admission of all of the allegations in this Complaint, and a waiver of Respondent's right to a hearing under TSCA. A Default Order may thereafter be issued by the Regional Administrator, and the civil penalties proposed therein shall become due and payable without further proceedings.

McDonnell Douglas Corporation TSCA Docket No. VII-98-T-528 Page 5 of 6

Section VI

Settlement Conference

26. Whether or not Respondent requests a hearing, Respondent may request an informal settlement conference to discuss the facts of the case and settlement. To request an informal settlement conference, please contact:

Henry F. Rompage Senior Assistant Regional Counsel Office of Regional Counsel United States Environmental Protection Agency Region VII 726 Minnesota Avenue Kansas City, KS 66101 Telephone: (913) 551-7010

- 27. A request for an informal settlement conference does <u>not</u> extend the time to answer. Whether or not the informal conference is pursued, to preserve the right to hearing, a written answer and request for a hearing must be filed within twenty days of service of this Complaint.
- 28. EPA encourages all parties against whom a civil penalty is proposed to pursue the possibility of a settlement. However, no penalty reduction will be made simply because an informal settlement conference is held. If settlement is reached, the parties will enter into a written Consent Agreement and a Consent Order will be issued by the Regional Administrator, United States Environmental Protection Agency, Region VII. The issuance of such a Consent Agreement and Consent Order shall constitute a waiver of Respondent's right to request a hearing on any matter stipulated to therein.
- 29. If Respondent has neither achieved a settlement by informal conference nor filed an answer within the twenty day time period allowed by this Notice, the penalties proposed above may be assessed by the entry of a Default Order.

Date 7 15 98

William A. Spratlin

Director

Air, RCRA and Toxics Division

Henry F. Rompage

Senior Assistant Regional Counsel

Office of Regional Counsel

McDonnell Douglas Corporation TSCA Docket No. VII-98-T-528 Page 6 of 6

Enclosures: Consolidated Rules of Practice, As Amended

Polychlorinated Biphenyls (PCB) Penalty Policy

Penalty Calculation Summary

CERTIFICATE OF SERVICE

I certify that on the date noted below I hand delivered the original and one true copy of this Complaint and Notice of Opportunity for Hearing to the Regional Hearing Clerk, United States Environmental Protection Agency, 726 Minnesota Avenue, Kansas City, KS 66101.

I further certify that on the date below I sent by certified mail, return receipt requested, a true and correct copy of the original Complaint and Notice of Opportunity for Hearing; a copy of the Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation or Suspension of Permits, 40 C.F.R. § 22; a copy of the April 9, 1990, PCB Penalty Policy; and a copy of the PCB Civil Penalty Calculation Summary to the following registered agent for Mc Donnell Douglas Corporation:

F. Mark Kuhlman Brown Road at Airport Road P.O. Box 516 St. Louis, MO 63166-0516

Cynthia Sehnert-Jones

PENALTY CALCULATION SUMMARY MCDONNELL DOUGLAS CORPORATION ST. LOUIS, MISSOURI TSCA DOCKET NUMBER VII-98-T-528

COUNT I

VIOLATION: Improper disposal due to PCB - contaminated Moloney

transformer, SN 2120050, leaking oil to the concrete pad

CIRCUMSTANCE: Level 1 - Major Disposal

Minor--less than five gallons PCB fluid leaked to pad EXTENT:

PENALTY: \$5,500

COUNT II

Improper disposal due to PCB - contaminated Wagner VIOLATION:

transformer, SN 9U1235, leaking oil to the concrete pad

<u>CIRCUMSTANCE</u>: Level 1 - Major Disposal

EXTENT:

Minor-less than five gallons PCB fluid leaked to pad

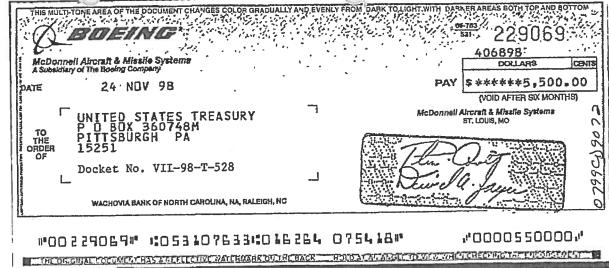
PENALTY: \$ 5,500

TOTAL PROPOSED PENALTY-----\$ 11,000

CASE ASSIGNMENT FORM

From:	Leslie Humphrey	
Date:		
То:	David A. Case Review Offi	Phillippi - TSPP cer, TSPP
This (Case, <u>Mc Donnel</u> the following attorney	Danglas Corp., has been Herry Rampage.
	TSCA Docket No Proposed Penalty Violations	VII-98-T-528 8.71,500 Improper Disposal (Leaking Transformers)
	•	





P.O. Box 360748M Pittsburgh, Pennsylvania 15251

> Re: McDonnell Douglas Corporation Docket No. VII-98-T-528

Dear Sir or Madam:

Please find enclosed a check in the amount of \$5,500.00 in payment of a civil penalty in the above-referenced matter. Please call me at 314/234-8135 if you have any questions.

Sincerely,

Tracy Seekins Tracy S. Perkins

Counsel

McDonnell Douglas Corporation

Enclosure

cc: Henry F. Rompage
Senior Assistant Regional Counsel
U.S. Environmental Protection Agency

The Boeing Company-P.O. Box 516 St. Louis, MO 63166-0516 (314) 232-0232 TELEX 44-857

LAW DEPARTMENT TRACY S. PERKINS Counsel (314) 234-8135

September 28, 1998

Henry Rompage, Esq.
Senior Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency
Region VII
726 Minnesota Avenue
Kansas City, Kansas 66101

Re:

In the Matter of McDonnell Douglas Corporation

TSCA Docket No. VII-98-T-528

Dear Mr. Rompage:

I am writing as a follow-up to our telephone conversation on September 8, 1998. As we discussed, this letter constitutes a proposal for a Supplemental Environmental Project ("SEP") in settlement of the above-referenced administrative complaint. As a preliminary matter, I would like to stress that this letter is for settlement purposes only, and as such, no statements contained herein constitute any admission of fact or law.

The project that we propose falls within the Pollution Reduction category of SEPs. We are planning to update the electrical systems at the St. Louis facility. As part of this update, all transformers at Substation 8, including both transformers at issue in the administrative complaint, as well as the Building 5 PCB transformer, will be removed and disposed of properly. In addition, the environmental group at the St. Louis facility has been working to have an additional group of three transformers assumed to be PCB-contaminated included in this project as a Supplemental Environmental Project.¹

The entire project, including updating the electrical systems, replacing Substation 8, removing and replacing the Building 5 PCB transformer, and removing and replacing the three additional PCB-contaminated transformers is a multi-million dollar project. The cost for the removal, disposal, and replacement of the three additional PCB-contaminated transformers (i.e. the portion of the project proposed as a supplemental environmental project) is \$13,963.

The project will be completed by December 31, 1999.

This proposed project falls squarely within the requirements for a Supplemental Environmental Project set forth in EPA's Final Supplemental Environmental Projects Policy



¹ When we spoke on September 8, Mr. Kury and I were under the mistaken impression that the Building 5 PCB transformer was not part of the original plan to replace the Substation 8 transformers. We have since learned that while the replacement of the Building 5 PCB transformer was not part of the original scope of the project, it was discussed and verbally added to the project prior to the April 16 inspection.

Henry Rompage, Esq. September 28, 1998 Page 2

dated May 5, 1998. Under this policy, a SEP must meet five criteria. First, the project must meet the basic definition of an SEP. Second, all legal guidelines, including nexus must be met. Third, the project must fit within one or more designated categories of SEPs. Fourth, the appropriate amount of penalty mitigation under the policy must be determined. And finally, the project must satisfy all of the implementation and other criteria. The SEP that we propose meets each of these requirements.

The Proposed Project Meets the Definition of an SEP

First, the project meets the basic definition of an SEP. SEPs are defined as environmentally beneficial projects which a respondent agrees to undertake in settlement of an enforcement action, but which the respondent is not otherwise legally required to perform.

Environmentally beneficial means that the SEP must improve, protect, or reduce risks to public health, or the environment at large. The project must primarily benefit public health or the environment. This project will clearly protect and reduce risks to public health and the environment. By removing PCBs from service and disposing of them properly, the project will eliminate the risk of any possible future leaks of PCBs from the transformers into the environment. Furthermore, the primary purpose of this portion of the project is to remove the PCBs from service. This portion of the electrical system did not need to be updated. The only reason this part of the project was included was for the environmental benefit.

In settlement of an enforcement action means that EPA has the opportunity to help shape the scope of the project before it is implemented, and the project is not commenced until after the Agency has identified a violation. Both of these requirements have been met. The project has not yet commenced. We have included a drawing with this letter showing the transformers to be removed as part of this project. The preliminary decision to include these transformers in the project was not made until after the April 16, 1998, EPA inspection. Furthermore, MDC has still not entered into any contract or other obligation to remove the additional three transformers. A request for proposal has been submitted to contractors, but MDC has not legally committed to going forward with the project. In addition to satisfying the requirement that the project not be commenced until the Agency identified a violation, this means that the project is still open to any input the Agency may have, thereby satisfying the requirement that EPA have the opportunity to shape the scope of the project.

Not otherwise legally required to perform means that the project or activity is not required by any federal, state, or local law or regulation. This requirement is satisfied as well. The transformers to be replaced as part of the proposed SEP are in good condition. There is no legal requirement that they be replaced.

The Proposed Project Meets All Legal Guidelines, Including Nexus

This project meets all of the legal guidelines for SEPs. In particular, the project meets the Nexus requirement. This project is clearly designed to reduce the likelihood that similar violations will occur in the future. The proposed project is at the same site and in the same immediate geographic region. In addition, the project addresses the same pollutant in the same medium.



Henry Rompage, Esq. September 28, 1998 Page 3

The Proposed Project Falls Within the Pollution Reduction Categories of SEPs

The proposed project falls within the pollution reduction category of SEPs. A pollution reduction project is one which results in a decrease in the amount and/or toxicity of any hazardous substance, pollutant or contaminant entering any waste stream or otherwise being released into the environment by an operating business or facility by a means which does not qualify as "pollution prevention." Pollution reduction includes safer disposal of an existing pollutant source.

Numerous projects involving the replacement of PCB transformers have been approved have been approved by EPA as pollution reduction SEPs. See EnviroSense SEP National Database, http://es.epa.gov/oeca/sep/searchsep.html. As many of the approved SEPs note, the removal and replacement of these PCB and PCB-contaminated transformers will reduce the quantity of PCBs potentially affecting land and water if the PCB transformers ever leaked. See e.g. Handy and Harman, http://es.epa.gov/oeca/sep/sepdb/1995/sep14.html. It will provide actual health and ecosystem protection. See e.g. Eaton Corp./Case 2, http://es.epa.gov/oeca/sep/sepdb/1996/sep92.html; see also M. Kimerling and Sons, Inc., http://es.epa.gov/oeca/sep/sepdb/1996/sep92.html;

In addition, this project, in conjunction with the electrical system update, will result in the removal of the final PCB transformer at the site (from thirty-two PCB transformers), as well as removal of nine out of the remaining twelve PCB-contaminated transformers at the site.

Calculation of the Final Penalty

In a settlement in which the respondent commits to conduct an SEP, the final penalty must equal or exceed 25% of the gravity component of the penalty. EPA has claimed that the appropriate penalty in this matter is \$11,000 under the PCB Penalty Policy. Assuming for these purposes only that this figure is correct, the appropriate minimum penalty with an SEP is \$2,750. The SEP cost will be \$13,963. The appropriate mitigation percentage should not exceed 80% of the cost of the SEP. The proposed project provides significant benefits to the public and to the environment at large. In addition, it will result in the prevention of pollution as the new equipment will never release PCBs to the environment. 80% of the cost of the SEP exceeds the



² See e.g. Atchison, Topeka & Santa Fe Ry/Case 2 (Retrofill or dispose of all PCB transformers at all of its facilities); Handy and Harman (Remove and dispose of six PCB transformers); OZ Gedney/General Signal (Remove three PCB transformers); Rhode Island Hospital (Remove one PCB transformer); Paul A. Denver State School (Retrofill seven PCB transformers and remove and dispose of one PCB transformer); Trinity College (Remove two PCB transformers); Town of Wallingford (Test all transformers in the town utility system for PCBs, and remove and dispose of all regulated levels of PCBs from transformers found to contain PCBs); Eaton Corp./Case 2 (Replace PCB transformers with non-PCB material); Bendtec, Inc. (Remove and dispose of PCB transformer); M. Kimerling and Sons, Inc. (Replace PCB transformer with non-PCB transformer and properly dispose of PCB transformer and dielectric fluid); Gulf States Paper Corp. (Replace two smaller PCB transformers with a larger non-PCB transformer); Southeastern Pennsylvania Transportation Authority (Remove and/or retrofill 21 PCB or PCB-contaminated transformers); Reading Tube Corp. (Replace seven PCB transformers and 74 PCB capacitors with new non-PCB equipment); Anzon, Inc. (Remove four operational PCB transformers along with other improvements); City of Manchester School System (Remove or retrofill seventeen PCB transformers in school system and several outside of school system); Eastern Fine Paper (Dispose of one PCB transformer).

Henry Rompage, Esq. September 28, 1998 Page 4

amount of the proposed penalty. Thus, we request 75% mitigation of the proposed penalty amount, for a total penalty of the proposed SEP plus \$2,750.

Compliance with All Implementation and Other Criteria

Compliance with all implementation and other criteria will be assured through the drafting of an appropriate consent order. Should EPA have any specific questions regarding compliance with these requirements, we would be happy to address them as raised.

Conclusion

McDonnell Douglas proposes to remove and replace three PCB-contaminated transformers with new, non-PCB-containing equipment. The proposed project falls squarely within the definition and requirements for a Supplemental Environmental Project. McDonnell Douglas requests that the proposed penalty of \$11,000 be reduced by 75% to \$2,750 with a commitment to perform the proposed project.

Should you have any questions regarding this project, please do not hesitate to call. You can reach me at (314) 234-8135. Thank you for your attention to this matter.

Sincerely,

Tracy S. Perkins

Counsel for McDonnell Douglas Corporation

Vracy SPerkens

Enclosure: Drawing Number A83032, 8/18/98

cc: Bryan Kury



REQUEST FOR CONCURRENCE

Settlement of TSCA Administrative Penalty Action

Respondent: McDonnell Douglas Corporation

Region Contact: David A. Phillippi, ARTD/CRIB

- A. Description of Respondent: Manufacturer of aircraft & related hardware
- B. Nature of Violation: Respondent had leaking PCB contaminated transformers.
- C. Original Proposed Penalty: \$11,000
- D. Proposed Settlement:

\$5,500

E. Justification: Respondent will dispose of nine PCB contaminated transformers and one Askarel transformer, thereby disposing of 17,267 gallons (approximately 139,900 pounds) of PCB and contaminated oil; however, the disposal and replacement includes only three contaminated transformers which were not projected for disposal and replacement prior to the inspection. Disposal and replacement of the three transformers eligible for a SEP has been projected (bid) at \$13,963.

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John John John John John John John John	Concur: WS	Nonconcur	
N.	Date: 10 (27) 43	-	
	land		
	William A. Spratlin	-	
	Director		
	Air, RCRA, and Toxics Division		



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VII 726 MINNESOTA AVENUE KANSAS CITY, KANSAS 66101

December 8, 1998

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tracy S. Perkins
The Boeing Company
Mail Code S100-3340
P.O. Box 516
St. Louis, Missouri 63166

Re: McDonnell Douglas Corporation Docket No. VII-98-T-528

Dear Ms. Perkins:

Enclosed for your files is a copy of the executed <u>Consent Agreement and Consent Order</u> agreed upon by the above referenced and the Environmental Protection Agency.

Sincerely yours,

Venessa Cobbs

Regional Hearing Clerk

Enclosure

cc: Henry F. Rompage

Senior Assistant Regional Counsel U.S. Environmental Protection Agency



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION VII 726 MINNESOTA AVENUE KANSAS CITY, KANSAS 66101 CRUECON AND SECTION AGENCY - SECOND VILLED CONTROLL NEARING CLERK

IN THE MATTER OF)
MCDONNELL DOUGLAS CORPORATION	TSCA Docket No. VII-98-T-528
Respondent) CONSENT AGREEMENT) AND CONSENT ORDER

PRELIMINARY STATEMENT

This proceeding for the assessment of civil penalties was initiated pursuant to § 16(a) of the Toxic Substances Control Act (hereinafter TSCA), 15 U.S.C. § 2615, as amended. The Complainant in this proceeding issued a Complaint and Notice of Opportunity for Hearing to Respondent, charging violation of certain regulations governing the manufacture, processing, distribution in commerce, use, disposal, storage and marking of polychlorinated biphenyhls (PCBs), promulgated at 40 C.F.R. Part 761, pursuant to Section 6(e) of TSCA.

CONSENT AGREEMENT

- For purposes of this proceeding, Respondent does, by this Consent
 Agreement, admit the jurisdictional allegations of the Complaint and neither admits nor denies the allegations set forth in Counts I and II of this Complaint.
- 2. Respondent hereby explicitly waives its right to a judicial or administrative hearing on any issue consented to herein.

- 3. For purposes of this proceeding only, Respondent consents to the issuance of the Order hereinafter recited, and consents to the payment of a civil penalty in the amount hereinafter recited.
- 4. No portion of any civil penalty, interest or penalties paid by Respondent pursuant to the requirements of this Consent Agreement and Consent Order shall be claimed by Respondent as deductions for federal, state, or local income tax purposes.
- 5. Failure to pay the civil penalty will result in commencement of a civil action in Federal District Court to recover the full amount due, along with the accumulated interest at the rate of five percent (5%) per annum.
- 6. Nothing contained in this Order shall alter or otherwise affect Respondent's obligation to comply with all applicable federal, state and local environmental statutes and regulations and applicable permits.
- 7. The undersigned representative of Respondent certifies he or she is fully authorized to enter the terms and conditions of this Consent Agreement and Consent Order and to execute and legally bind Respondent to it.

CONSENT ORDER

- 1. By December 31, 1999, Respondent shall conduct and complete a Supplemental Environmental Project (SEP) as set forth in Attachment I to this Consent Agreement and Consent Order, by disposing of, and replacing, three (3) PCB-contaminated transformers.
- 2. Within ten (10) days of completion of the SEP, Respondent shall certify in writing to the Director Air, RCRA, and Toxics Division, EPA Region VII, that said SEP

has been completed.

- 3. Any press release or statement for publication, oral or written, made by Respondent making reference to the SEP shall include the following language, "This project was undertaken in connection with the settlement of an enforcement action taken by the U.S. Environmental Protection Agency for violations of the Toxic Substances Control Act."
- 4. Within thirty (30) days of the effective date of this Order, Respondent shall pay a mitigated civil penalty of Five Thousand Five Hundred Dollars (\$5,500). Payment shall be by cashier's or certified check, made payable to the United States Treasury, shall bear the docket number for this matter, and shall be mailed to:

EPA - Region VII Regional Hearing Clerk c/o Mellon Bank P.O. Box 360748M Pittsburgh, Pennsylvania 15251

- 5. In the event that Respondent does not complete the SEP requirements pursuant to paragraphs 1 and 2 of this Consent Agreement and Consent Order, Respondent shall pay a stipulated penalty in the amount of Three Thousand Three Hundred Dollars (\$3,300). Such stipulated penalty shall become immediately due and payable upon written demand by Complainant.
 - 6. Each party shall bear its own costs including attorneys' fees.

In the Matter of

McDonnell Douglas Corporation Docket No. VII-98-T-528

RESPONDENT:

MCDONNELL DOUGLAS CORPORATION

By: Nidel Duys
Title: Diversor - SHTFN

Date: 1/25/58

U.S. ENVIRONMENTAL PROTECTION AGENCY, REGION VII

By: A Compage, Attorney

Office of Regional Counsel

Date: 11-30 98

IT IS SO ORDERED. This Order shall become effective immediately.

Robert L. Patrick

Regional Judicial Officer

ate: Decemb

The Boeing Company P.O. Box 516 St. Louis, MO 63166-0516 (314) 232-0232 TELEX 44-857

LAW DEPARTMENT TRACY S. PERKINS Counsel (314) 234-8135

October 22, 1998

Ø_ Boeing via facsimile (913) 551-7925

Henry Rompage, Esq.
Senior Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency
Region VII
726 Minnesota Avenue
Kansas City, KS 66101

Re: In the Matter of McDonnell Douglas Corporation TSCA Docket No. VII-98-T-528

Dear Mr. Rompage:

I am writing as a follow-up to our telephone conversation on October 22, 1998, wherein you requested documentation for the cost of our proposed Supplemental Environmental Project ("SEP") in the above-referenced matter. I have enclosed two documents detailing the cost breakdown for the project. The first is the cost for replacing the electrical components of the three Building 6 transformers (\$12,500). The second is the cost of disposal of the transformers and transformer oil (\$1,463). The total, \$13,963, is the total cost of the SEP.

Should you have any questions regarding this project, please do not hesitate to call. You can reach me at (314) 234-8135. Thank you for your attention to this matter.

Sincerely,

Fracy S. Perkins

Counsel for McDonnell Douglas Corporation

Enclosure

Informal Memo 21 October, 1998

To: Tracy Perkins Dept. H009 MC S100-3340

The cost for replacing the PCB contaminated transformers at Building 6 is as follows:

Description	Size]	Material	Labor
Secondary Feeder	600A		2500	1200
Primary Feeder	300A		1000	800
Transformer: Dry Type				
240/480V - 120/208V	225KVA		5500	1500
		Subtotal	\$9000	\$ 3500
		Total	\$12	2,500

Larry J. Hoeflinger, P.F. Dept. 447A MC S034-3520

Perkins, Tracy S

From:

Gary Buford[SMTP:gbuford@mdc.com]

Sent:

Tuesday, October 20, 1998 2:25 PM

To:

tracy.s.perkins@boeing.com

Subject:

PCB Disposal Cost-Sub 6

Tracy.

The following PGB price quote reflects the current contract disposal cost with Laidlaw Environmental.

Substation 6 consists of three transformers, each contains 42 gallons of less than 500ppm PCB. Each transformer weighs 1250 lbs.

Current disposal costs: \$210 per drum of <500ppm Oil \$0.25 per pound carcass weight

3 X 42 gal. = 126 gal. oil 126 gal. = 2.5 drums oil 2.5 drums @ \$210/drum = \$525

 3×1250 lbs. = 3,750lbs. 3,750lbs. $\times 0.25 /lb. = \$938

Total disposal cost: \$525 + \$938 = \$1,463

FTTS INSPECTIONS

INSPECTION DATE: 04 / 16 198	*INSPECTOR NUM: MOOIT	*INSPECTION SEQ: 0/
LEGISLATION IND: Tor F	*INSPECTION TYPE:6/s	
REGION/STATE: MO	INSPECTOR NAME: Robert L.	Knager
REASON FOR INSPECTION: FCF		
DATE RPT RECD://_	WARRANT REQUIRED: Y or N	FED FACILITY: Y or (N)
CBI: Y or (N)	NUMBER SCHOOLS:	SCHOOL TYPE:
*FACILITY FUNCTION: 43	EPA ESTAB:	<i>i</i>
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REMARKS: 07-98-T-528	,	
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*SITE NAME: McDonnell Obu	alas Corp. a wholly owned so	ubridiary of Bring Co.
*SITE ADDR: / LID / Mc Donnell Bl	Ivd., P.O. Box 516, Mailcoole	5/11-1099
*SITE CITY: 54. 600.5		
*SITE STATE: /M O	*SITE ZIP: 63/64	
SITE DUNS:	SITE COUNTY: 57	Louis
SITE SIC CODES: 3700		· ·
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*PARENT CO CITY: *PARENT CO STATE:	*PARENT CO ZIP:	· · · · · · · · · · · · · · · · · · ·
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INSPECTOR'S SIGNATURE

<u>04/17/98</u>

Attachment 18